

**FINANCE**

**Arrears Clearance**

**Agreement Between the  
UNITED STATES OF AMERICA  
and ARGENTINA**

Signed at Buenos Aires February 26, 2015

*with*

Annexes



NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966  
(80 Stat. 271; 1 U.S.C. 113)—

“. . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”

## **ARGENTINA**

### **Finance: Arrears Clearance**

*Agreement signed at Buenos Aires February 26, 2015;  
Entered into force April 13, 2015.  
With annexes.*

AGREEMENT BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND THE GOVERNMENT OF THE REPUBLIC OF ARGENTINA  
REGARDING THE CLEARANCE OF ARREARS  
OWED TO, GUARANTEED BY, OR INSURED  
BY THE UNITED STATES GOVERNMENT INCLUDING ITS AGENCIES

The Government of the United States of America (the "United States") and the Government of the Republic of Argentina ("Argentina") agree as follows:



ARTICLE I

Application of the Agreement

1. In accordance with the recommendations contained in the Joint Declaration on Arrears Clearance with the Argentine Republic, signed in Paris on May 29, 2014, (hereinafter referred to as the "Declaration") by representatives of certain nations, including the United States (hereinafter referred to as the "Participating Creditor Countries"), and by the representative of Argentina, and in accordance with the applicable domestic laws of the United States and Argentina, the United States and Argentina agree to a repayment plan of certain payments with respect to arrears which are owed to, guaranteed by or insured by the United States Government including its Agencies, as provided for in this Agreement.
2. United States Government Agencies means the United States Agency for International Development ("USAID") and the Export-Import Bank of the United States ("Ex-Im Bank").

ARTICLE II

Definitions

1. "Contracts" mean those agreements or other financial arrangements listed in Annex A, which have maturities under:
  - (a) loans made by the United States including its Agencies, having an original maturity of more than one year, and which were extended to Argentina or to its public sector, or covered by a guarantee of Argentina or its public sector, pursuant to an agreement or other financial arrangement concluded before April 30, 2014, inclusive.
  - (b) commercial credits guaranteed or insured by the United States including its Agencies, having original maturities of more than one year and which were extended to the Government of Argentina or its public sector, or covered by a guarantee of the Government of Argentina or its public sector, pursuant to an agreement or other financial arrangement concluded before April 30, 2014.
  - (c) bilateral debt rescheduling and/or debt reduction agreements between the United States and Argentina signed on April 8, 1986, December 14, 1989, December 5, 1990, December 6, 1991, and January 13 and 15, 1993.

All payments due as a result of debts described above, including principal, interest, any arrears and/or Late Interest, that are affected through special payment mechanisms or other external accounts are covered by this Agreement.

The public sector of Argentina includes the Federal Government, provinces and municipalities, public agencies, organizations, and institutions, and those enterprises in which the above entities alone or together are directly or indirectly majority shareholders (more than



50 percent), including representative offices and branches of publicly-owned Argentine banks abroad.

2. "Repayment Period" means the period from May 1, 2014, through May 30, 2019, inclusive, provided that Argentina has met all of its payment commitments under this Agreement, including (without limitation) payment when due of all Minimum Payments and all amounts of Basic Interest and Compensatory Interest due and owing.
3. "Extended Repayment Period" means the period from May 31, 2019, through May 31, 2021, inclusive, provided that Argentina has met all of its payment commitments under this Agreement, including (without limitation) payment when due of all Minimum Payments and all amounts of Basic Interest due and owing.
4. "Arrears" means 100 percent of the sum of unpaid principal, interest, and late interest falling due as of April 30, 2014 (inclusive) on the Contracts specified in paragraph 1 of this Article.
5. "Minimum Payment" means the share of Arrears to be paid at each payment date during the Repayment Period as set forth in Article III, Section 1(d), not to exceed the amount of outstanding Arrears. Basic Interest is not included in the calculation of Minimum Payment.
6. "Target Payment" means 23.21804 percent of Arrears, not to exceed the amount of outstanding Arrears. Neither Basic Interest nor Compensatory Interest is included in the calculation of Target Payment.
7. "Basic Interest" means interest payable on Arrears in accordance with the terms of this Agreement. Interest shall accrue at the rates set forth in this Agreement beginning on May 1, 2014, on the stock of remaining Arrears and is due and payable as set forth in Article III, Section 1, (c) and (d). The weighted average of the rate of Basic Interest shall be 3 percent. The rates of Basic Interest are set forth for each Agency in Article III, Section 1(f).
8. "Compensatory Interest" means interest accruing in addition to Basic Interest and at the rates set forth in this Agreement on the difference between the sum of the Target Payments beginning on May 1, 2014, to dates for such Target Payments set forth in Article III, Section 1(d) and the sum of the Arrears actually paid over the same period. The weighted average of the rate of Compensatory Interest shall be 4.5 percent. The rates of Compensatory Interest are set forth for each Creditor Agency in Article III, Section 1(f).
9. "Final Interest" is interest charged on the amount of all remaining Arrears, Basic Interest, and Compensatory Interest not paid during the Repayment Period. Final Interest shall be due every year on May 30 following the end of the Repayment Period and capitalized annually if not paid when due. The Final Interest rate will apply until all Arrears, Basic Interest, Compensatory Interest, and Final Interest is paid. The weighted average of the rate of Final Interest shall be 9 percent. The rates of Final Interest are set forth for each Creditor Agency in Article III, Section 1(f).



Terms and Conditions of Payment

1. Argentina agrees to repay the Arrears in United States dollars in accordance with the following terms and conditions:
  - (a) Payments of Arrears, Basic Interest, Compensatory Interest, and Final Interest shall be made to USAID and Ex-Im Bank simultaneously on or before the payment date.
  - (b) All payments shall be credited first against Basic Interest, then Compensatory Interest, then against Arrears.
  - (c) The upfront Minimum Payment of 11.8670 percent of Arrears and Basic Interest are due as follows:
    - 6.7074 percent of the Arrears on July 30, 2014. Basic Interest is not due.
    - 5.1596 percent of the Arrears on May 30, 2015; Basic Interest is due.  
The Target payment for this payment date is 23.21804 percent of Arrears.
  - (d) Starting on May 30, 2016, Minimum Payments and Basic Interest are due on an annual basis:
    - 16.5106 percent of Arrears on May 30, 2016.  
The Target Payment for this payment date is 23.21804 percent of Arrears.
    - 11.3510 percent of Arrears on May 30, 2017.  
The Target Payment for this payment date is 23.21804 percent of Arrears.
    - 18.5744 percent of Arrears on May 30, 2018.  
The Target Payment for this payment date is 23.21804 percent of Arrears.
    - 19.0904 percent of Arrears on May 30, 2019.  
The Target Payment for this payment date is 23.21804 percent of Arrears, not to exceed the outstanding amount of arrears.
  - (e) Compensatory Interest calculated with respect to the Target Payments is due one year after the respective dates of the Target Payments.
  - (f) The rates of interest on Arrears shall be as follows:

For USAID, the annual rate of Basic Interest shall be 4.7913 percent.

For Ex-Im Bank, the annual rate of Basic Interest shall be 2.8526 percent.

For USAID, the annual rate of Compensatory Interest shall be 0.000 percent.

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For Ex-Im Bank, the annual rate of Compensatory Interest shall be 4.8703 percent.

For USAID, the annual rate of Final Interest shall be 4.7913 percent.

For Ex-Im Bank, the annual rate of Final Interest shall be 9.3463 percent.

(g) Argentina shall endeavor to pay the full amount of Target Payments on the payment dates set forth above. For avoidance of doubt, Argentina may make payments in excess of the Target Amount and may make payments in advance of the due dates set forth herein.

A table summarizing the amount of Arrears owed to the United States and its Agencies as of April 30, 2014, is found in Annex B.

A table summarizing the amount of Arrears owed to the United States and its Agencies on each payment date during the Repayment Period is found in Annex C.

2. Any Arrears, Basic Interest, or Compensatory Interest remaining due and unpaid at the end of the Repayment Period shall be due and payable immediately. Final Interest shall accrue on remaining Arrears, Basic Interest, and Compensatory interest at the Final Interest rate as defined in Article III, Section 1 (f). Final Interest will be due annually on May 30, 2020, and May 30, 2021, during the Extended Repayment Period.

#### ARTICLE IV

##### General Provisions

1. Argentina agrees to pay all Arrears, Basic Interest, Compensatory Interest, and Final Interest, if any, to the United States and including its Agencies, in United States dollars, without any deductions for taxes, fees or other public charges or any other costs accruing inside or outside Argentina.
2. The United States including its Agencies agrees to accept payment of Arrears under the terms herein without additional penalty or fees.
3. All terms of the Contracts remain in full force and effect in accordance with their terms, except as they may be modified by this Agreement.
4. This Agreement shall supersede:
  - (a) The Agreement between the Government of the United States of America and the Government of the Republic of Argentina regarding the Reduction of Certain Debts related



to Foreign Assistance Owed to the Government of the United State and Its Agencies between the United States and Argentina signed on January 13 and 15, 1993, in its entirety;

- (b) Implementing Agreement between the United States of America and the Argentine Republic Regarding the Reduction of Certain Debts Owed to the Agency for International Development dated August 18, 1993, in its entirety; and
- (c) Article II, paragraph 2, of the Agreement between the Government of the United States of America and the Government of the Republic of Argentina Concerning the Establishment of an Americas Fund and Administering Commission dated September 27, 1993.

- 5. The United States, at its option, shall provide a notice of payment due from the United States including its Agencies. Absence of such a notice shall not relieve Argentina of its obligation of repayment according to the Agreement.
- 6. With respect to amounts owing to USAID under this Agreement, Argentina agrees to the additional terms and conditions set forth in Annex D. With respect to amounts owing to Ex-Im Bank under this Agreement, Argentina agrees to the additional terms and conditions set forth in Annex E.
- 7. The Annexes constitute an integral part of this Agreement.

## ARTICLE V

### Breach of the Agreement

- 1. The United States may determine Argentina to be in breach of the Agreement on the basis of any of the following events of default: (i) a Minimum Payment or Payment of Basic Interest is not made within sixty (60) days of the due date during the Repayment Period; or (ii) any Arrears, Basic Interest, or Compensatory Interest remains due and unpaid after the end of the Extended Repayment Period; or (iii) the Paris Club declares a breach of the Declaration. The United States shall provide written notification to Argentina of this determination.
- 2. If the United States notifies Argentina of a breach of the Agreement, (a) all unpaid Arrears, Basic Interest, Compensatory Interest under this Agreement shall be due and payable immediately as of the date of the notification; (b) as of the date of missed payment, interest shall accumulate on all unpaid Arrears, Basic Interest, and Compensatory Interest at the Final Interest rate as defined in Article III, Section 1(f) and shall be capitalized annually.
- 3. In addition, interest at the Final Interest rate as defined in Article III, Section 1(f) shall apply and accrue retroactively from May 1, 2014, to the date of missed payment on all unpaid Arrears, Basic Interest and Compensatory Interest not paid as of the date of the missed payment, adjusted for Basic Interest and Compensatory Interest already paid.



4. In the event that the United States notifies Argentina of a breach of the Agreement, the United States shall credit all payments first against Final Interest, then Basic Interest, then Compensatory Interest, then to Arrears.

ARTICLE VI

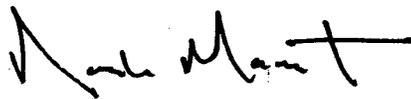
Entry into Force

This Agreement shall enter into force following signature of the Agreement and on the date of written notice from the United States to Argentina that all necessary U.S. domestic legal requirements for entry into force of the Agreement have been fulfilled.

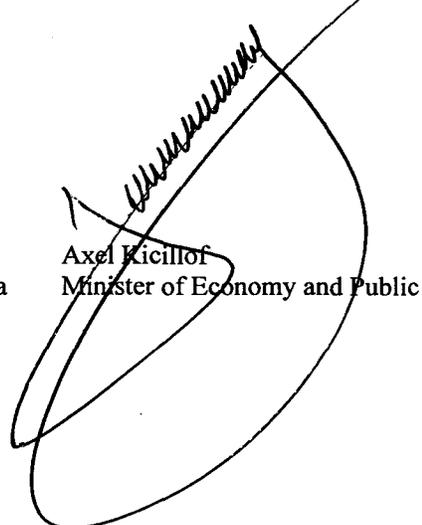
Done at Buenos Aires, Argentina, in duplicate, in the English language, this 26 day of February, 2015.

FOR THE GOVERNMENT OF  
THE UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF  
THE REPUBLIC OF ARGENTINA:



Noah B. Mammet  
Ambassador of the United States of America



Axel Kicillof  
Minister of Economy and Public Finances



**Annex A**

Contracts Subject to Repayment

USAID Loan Numbers:

510HR014A01  
510HR018A01  
510HR019A01  
510HR020A01  
510I031

Ex-Im Bank Loan Numbers:

R-176  
R-188  
007145-0002  
007145-0003

**Annex B**

(Amounts in U.S. dollars)

Summary of Arrears as of April 30, 2014 (inclusive):

USAID	46,257,267.35
Ex-Im Bank	562,177,671.96
TOTAL	608,434,939.31

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Annex C

(Amounts in U.S. dollars)

Date of Payment	Minimum Payment Due to USAID	Minimum Payment Due to Ex-Im Bank	Target Payment Due to USAID	Target Payment Due to Ex-Im Bank
July 30, 2014	3,102,659.95	37,707,505.17	0.00	0.00
May 30, 2015	2,386,689.97	29,006,119.16	10,740,030.84	130,526,636.75
May 30, 2016	7,637,352.39	92,818,906.71	10,740,030.84	130,526,636.75
May 30, 2017	5,250,662.42	63,812,787.55	10,740,030.84	130,526,636.75
May 30, 2018	8,592,009.87	104,421,129.51	10,740,030.84	130,526,636.75
May 30, 2019	8,830,697.37	107,321,966.29	3,297,144.01*	40,071,124.96*

*Note: A Minimum or Target Payment should not exceed the amount of outstanding Arrears at the date of the corresponding payment. The amounts marked with an asterisk (\*) reflect the amount of outstanding Arrears at the point at which the Target Payment would exceed the amount of outstanding Arrears if all previous Target Payments have been made.*

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**Annex D**

Additional Terms and Conditions with Respect to Amounts Owing to USAID

A. TERMS AND CONDITIONS OF PAYMENTS

1. Payments. Argentina agrees to pay amounts owing to USAID in accordance with the terms and conditions of this Agreement, including this Annex.
2. Funds and Place of Payment. All payments made to USAID by Argentina under this Agreement shall be made in United States dollars via electronic funds transfer to the Federal Reserve Bank, 33 Liberty Street, New York, New York 10045. Payment instructions to the Federal Reserve Bank should read:

BNF-/AC-72000001 OBI=(Pay US Dollars  
Principal            Interest  
Loan Number            )

3. Payments due on non-business days. In the event that a payment is due on a day when the Federal Reserve Bank of New York is closed for business, the payment shall be made on the next succeeding business day. This extension of time shall be included in computing the interest on such payment and excluded from the following interest period, if any.

B. INTEREST

1. Computation of Interest. Interest shall be computed on the basis of the outstanding principal balance of the loan times the annualized interest rate, then dividing by a 360 day year and then times the number of days between scheduled payment due dates based on a 12 month year with 30 days per month for each month.

C. GENERAL PROVISIONS

1. Future consolidations. If the repayment extends into the Extended Repayment Period, and provided that all conditions contained in the Agreement are met, USAID will manage each loan in the Extended Payment Period as a separate loan and identify it with a separate loan number and interest rate. Following notification that the conditions have been met, USAID will inform Argentina of the actual amounts to be repaid during the Extended Repayment period.
2. Communications. All communications between Argentina and USAID shall be in writing in the English language (or accompanied by an accurate translation). All communications to Argentina shall be addressed as Argentina may designate from time to time in writing to USAID. All communications to USAID shall be addressed as follows:

U.S. Agency for International Development  
Office of the Chief Financial Officer



SA-44 Building, Federal Center Plaza, 4<sup>th</sup> Floor Suite  
400 C Street S.W., Washington, DC 20024  
Fax: (202) 567-5265

USAID may change this designated address upon written notice to Argentina.

3. Authorized Representatives. Argentina shall designate in writing duly authorized representatives permitted to perform any and all actions required under this Agreement and may change its designated representatives by written notice to USAID. USAID may accept the signature of such representatives on any instrument as conclusive evidence that any such action effected by such instrument is authorized by Argentina until receipt of written notice of revocation of their authority.
4. Notification and Confirmation. USAID will, to the maximum extent practicable, notify Argentina of payments due at least fifteen (15) days prior to the due date of each payment. Failure to provide such notice, however, does not excuse failure to make payment when due.
5. Choice of Law for Contracts. To the extent this Agreement applies to the USAID loans listed in Annex A, nothing in this Agreement affects the choice of law governing those Contracts.
6. Expenses. Argentina shall reimburse USAID, upon demand, for all reasonable and documented expenses (including legal fees) incurred by or charged to USAID in connection with or arising out of the payments owing to USAID.

A handwritten signature in black ink, consisting of a stylized, cursive letter 'S' followed by a horizontal line extending to the right.

**Annex E**

Additional Terms and Conditions with Respect to Amounts Owing to Ex-Im Bank

The Government of Argentina (hereinafter referred to as the "Government") agrees to the following additional terms and conditions with respect to the amounts owing to Ex-Im Bank, guaranteed by Ex-Im Bank, or insured by Ex-Im Bank:

A. Definitions.

1. "Business Day" means any day on which the Federal Reserve Bank of New York is open for business.

B. Payments.

1. Funds and Place of Payment. All payments to be made by the Government to Ex-Im Bank under this Agreement shall be made in United States dollars in immediately available and freely transferable funds to the Federal Reserve Bank of New York for credit to Ex-Im Bank's account at the U.S. Treasury Department as identified below or as otherwise directed in writing by the Treasurer-Controller or an Assistant Treasurer-Controller of Ex-Im Bank.

US Treasury Department  
021030004  
TREAS NYC/CTR/  
BNF=/AC-4984 OBI=  
EXPORT-IMPORT BANK  
DUE [DATE] ON EIB REFUNDING CREDIT NO. R-0317

2. Payment on a Non-Business Day. Whenever any payment falls due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and such extension of time shall be included in the computation of Interest in connection with such payment.

C. Computation of Interest. Interest shall be computed on the basis of 12 month year with 30 days per month for each month, using a 360-day year.

D. Miscellaneous Provisions.

1. Disposition of Indebtedness. Ex-Im Bank may at any time sell, assign, transfer, negotiate, grant participation in, or otherwise dispose of all or any portion of the indebtedness of the Government outstanding and owing to Ex-Im Bank under this Agreement to any party, and any such party shall enjoy all the rights and privileges of Ex-Im Bank under this Agreement, provided that the new holder of the indebtedness of the Government agrees to be bound by any arrangements concluded between the Participating Creditor Countries to the Declaration and the Government. The Government shall, at the request of Ex-Im Bank, execute and deliver to Ex-Im Bank or to such party

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or parties as Ex-Im Bank may designate any and all further instruments as may be necessary or advisable to give full force and effect to such disposition by Ex-Im Bank.

In the event that Ex-Im Bank does decide to sell, assign, transfer, negotiate, grant participation in, or otherwise dispose of all or any portion of the indebtedness of the Government, Ex-Im Bank agrees to provide ten (10) days' prior written notice to the Government of such decision.

This notice is provided by Ex-Im Bank as a courtesy to the Government and shall in no way limit Ex-Im Bank at its sole discretion, to sell, assign, transfer, negotiate, grant participation in, or otherwise dispose of all or any portion of the indebtedness of the Government.

2. Expenses. The Government shall pay on demand all reasonable costs and expenses incurred by or charged to Ex-Im Bank in connection with or arising out of the payments owing to Ex-Im Bank.

3. Communications. All communications between the Government and Ex-Im Bank under this Agreement shall be in writing, in the English language (or accompanied by an accurate English translation). All communications to the Government shall be addressed to the Government at the address designated by the Government from time to time in writing to Ex-Im Bank; all communications to Ex-Im Bank shall be addressed to Ex-Im Bank at the following address:

Export-Import Bank of the United States  
811 Vermont Avenue, N.W.  
Washington, D.C. 20571  
Attention: Treasurer-Controller  
Telex: 89461 EX-IM BANK WSH  
197681 EXIM UT  
Reference: Argentina Bilateral Agreement  
Facsimile: (202) 565-3890

4. Choice of Law for Contracts. To the extent this Agreement applies to the Ex-Im Bank loans listed in Annex A, nothing in this Agreement affects the choice of law governing those Contracts.

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